DNS ERP Private Limited

**The following note is in general and is not intended to any person or any company.**

Crow story:

Once there was a Koel sitting on a branch. She saw a crow running. She asked him, why are you running? Crow said, 'I am fed up with people around here, I am going to a new place'. She asked 'Why'? Crow said, 'they are all not good, they do not allow me to seat at one place, they always shoo me away by throwing stone and all that, and so I am going to new place.' She asked him, 'Oh, OK, but did you change the old habit of screaming Ka Ka Ka and disturbing people'.. He said 'No'. Then she said in new place also perhaps people will drive you away and you will not benefit by running away from this place.

The point is, are you ready to change? If not, ERP will also not give you the real benefit.

What is BPR ?

1. Checks and controls are reduced: This is done by empowering workers and making them more accountable for their actions. Study 'audit trail' feature in DNS ERP.
2. Reconciliation is minimized: Reconciliation does not provide added value and can be minimized by reducing the number of hand-offs and activities. In short, re-work is unproductive. DNS ERP ensures that user is preventing a mistake. Else people are busy finding and correcting someone's mistakes.

As a senior person in the organization, you will have to ask question for every business process. 'Is there any better way of doing this activity'? Is it necessary to continue the _old_ method in _new_ ERP also?

Let me give you few examples:

"We gave a link in PO to pickup rate from the Purchase quotation. User's reaction: "I do not have time to prepare purchase quotations in ERP. "
Then, how ERP will help you with the pre-purchase module? You have to change. As a top person with authority, you should put your foot down and say, 'nothing doing, we have invested in ERP to improve our business processes and not mimic old way of working in new ERP business logic.'

Classic example:

In one small company, the purchase officer was in habit of ordering material on phone. In ERP that is not allowed. If PO is not made, stores cannot enter data about material

received. For about three months, everyone tried his or her best to resist change. Then the MD came to our rescue. He instructed security that if the truck comes without bill, or without our Purchase Order reference number: "Do not allow the material to come inside the factory". After a couple of incidents where the material was returned, all the suppliers understood that the company was serious. They started writing the PO reference number on their challan-cum-invoice. Challans alone is not accepted. Vendors and third party insisted on getting the PO or JO from the purchase officer. In other words, change was enforced by the top boss. Benefit: Return on investment realized.

Another example:

In one project, the user insisted on making challan to give materials to customer. Our team said this is wrong and that you have to make CCI – Challan cum Invoice. He did not budge. He made our programmer change. Now after six months he realized the mistake and again requested for the change back to the way it was. He was charged Rs. 50,000/- for making changes.

This is a good example of sticking to bullock-cart:

In one company accountant was using an old fashion account-centric program, where she was allowed to change / edit / delete a transaction. She expected ERP to do the same. Without realizing, the very benefit of ERP is lost. ERP is a multi-user software. Now we are planning to give access to branch offices. The edit facility is a serious problem because user will 'misuse'.

I can go on and on.....ask yourself a question: What are the opportunities for improvement? Please write down for each function, say in accounts, in purchase, and so on. Resistance to change is natural but we are intelligent human being, we have the reasoning mind. Take ERP implementation as opportunity to carry out changes.

Change management or people change management.

Also referred to as BPR – Business Process Redesign (or Business Process Reengineering).

It is natural tendency of humans to resist change. It is said that nobody likes change. There is saying, "The only one who likes change is a wet baby." All said and done, whether we like it or not, business environment is constantly forcing us to change. There is one more saying about change: "the only constant in business environment is change."

Organization must be willing and ready for change. People in the organization, the top executives, and the key users must have the right mindset to undertake ERP implementation. The programmers should not be forced to change the program but changing the business process is the right attitude.

Any organization that implements ERP has to accept dramatic changes in the document flow and material flow. ERP team will demand major changes in the work culture. For instance, today business may be done verbally, but ERP will enforce discipline to document by way of preparing a transaction. However, common people do not like change and therefore they revolt.

In order to bring about change, the ERP coordinator, or ERP team must accept that the people have their own minds and have their feelings, aspirations, reservations, and expectations. The implementation team or the task force (steering committee) has to respect this fact. When someone expresses the feelings, the same will have to be respected. Feelings are feelings – they are facts and this fact must be accepted in the first place. An effort must be made to accept and understand the feelings of people and to bring about a change in the mindset that will gradually bring about change in feelings. The resistance to ERP should melt away through this exercise. People, who are using bullock-cart for years, will try to put bullocks in front of a car too.

'The most important "speed" issue is often not technical but cultural. It's convincing everyone that the company's survival depends on everyone moving as fast as possible'.

Source: In chapter 'Get to market first'. Business @ the speed of thought. Book by Mr. Bill Gates.

Airplane story:

Once a wealthy entrepreneur ordered for an airplane for his children to go to school. One day he found that the children were coming home in car. He shouted at the supplier and he said "nothing doing, they will not use car to come home. What is the use of buying plane?" The supplier tried to explain that airplane can bring them up to the airport only and the remaining travel has to be by car. Unfortunately, due to unreasonable pressure, he cut off the wings and now they come by plane right up to home, but now the plane could not fly, which was original purpose. Similarly, user should be in position to draw a line to understand that ERP cannot do everything automatically; some manual procedure will still be required.

Always draw a border to your system.

Change

Good companies react quickly to change;
Great companies create change.
Move before the wave; change before you have to.
(Hriegel and Brandt, 1996)

Do BPR.

Do not connect bullocks to your car, because you are used to driving a bullock cart. **Change**.